GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:483
ANSWERED ON:24.04.2003
PRICING POLICY OF NATURAL GAS
V. SAROJA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there is any proposal to free natural gas pricing policy from Government control;

(b) if so, the details thereof;

(c) whether the import parity pricing would be advantageous to all LNG projects;

(d) whether it would increase prices of CNG; and

(e) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 483 BY D SAROJA TO BE ANSWERED ON 24TH APRIL, 2003 REGARDING PRICING POLICY OF NATURAL GAS.

(a)&(b): Yes, Sir. As per the Government decision taken in September 1997, the price of natural gas was linked to the price of a basket of international fuel oils and a review was to be undertaken to reach 100% price parity with fuel oils by the year 2001-02. The natural gas price is proposed to be market determined after the gas price deregulation. Final decision on gas pricing, however, will be taken by the Government after considering recommendations of the Group of Ministers, which is currently reviewing this issue.

(c): Yes, Sir.

(d)&(e): Compressed Natural Gas (CNG) can be produced from natural gas as well as LNG through compressionPrice of CNG would depend upon the market price of LNG/natural gas.